

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
DALLAS TOWNSHIP  
HUNTINGTON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/10/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Examination Results and Comments:	
Board Minutes.....	7
Disbursement Documentation .....	7
Federal and State Agencies – Compliance Requirements .....	7-8
Conflict of Interest Disclosure.....	8
Penalties, Interest, and Other Charges .....	9
Exit Conference.....	10

## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Karrie Fran Felts	01-01-03 to 12-31-06
	John A. Biehl	01-01-07 to 12-11-07
	Vacant	12-12-07 to 01-19-08
	Karrie Fran Felts	01-20-08 to 12-31-10
Chairman of the Township Board	Van K. Juillerat	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF DALLAS TOWNSHIP, HUNTINGTON COUNTY, INDIANA

We have examined the financial information presented herein of Dallas Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 28, 2007

DALLAS TOWNSHIP, HUNTINGTON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 35,441	\$ 15,480	\$ 15,016	\$ 35,905
Dog	548	304	248	604
Township Assistance	1,942	10,058	5,399	6,601
Firefighting	6,745	49,275	35,103	20,917
Levy Excess	-	576	-	576
Cumulative Fire	24,028	15,276	2,561	36,743
Totals	<u>\$ 68,704</u>	<u>\$ 90,969</u>	<u>\$ 58,327</u>	<u>\$ 101,346</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 35,905	\$ 13,425	\$ 16,050	\$ 33,280
Dog	604	-	604	-
Township Assistance	6,601	6,919	8,042	5,478
Firefighting	20,917	35,268	35,260	20,925
Levy Excess	576	-	576	-
Cumulative Fire	36,743	10,086	2,116	44,713
Totals	<u>\$ 101,346</u>	<u>\$ 65,698</u>	<u>\$ 62,648</u>	<u>\$ 104,396</u>

The accompanying notes are an integral part of the financial information.

DALLAS TOWNSHIP, HUNTINGTON COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

DALLAS TOWNSHIP  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 260,000
Improvements other than buildings	<u>8,412</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 268,412</u></u>



## DALLAS TOWNSHIP, HUNTINGTON COUNTY EXAMINATION RESULTS AND COMMENTS

### BOARD MINUTES

Not all minutes of meetings of the Township Board were available for examination. A similar comment appeared in prior Report B28617.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

### DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts and invoices. Payments were made on credit card purchases without itemized receipts documenting the purchase. One payment was for hotel and meals in the amount of \$1,066. Also, payments for cemetery care did not contain supporting documentation.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

### FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Amounts reported as gross wages, social security tax withholdings and medicare tax withholdings on Form W-2 (Wage and Tax Statement) did not agree with the amounts reported on Form 941 (Employer's Quarterly Federal Tax Return) or the Financial and Appropriation Record (Township Form 1C) for 2006 and 2007. Also, amounts reported as state income tax withholdings and local income tax withholdings on Form W-2 did not agree with amounts reported on Form WH-1 (Indiana Withholding Tax). A similar comment appeared in prior Report B28617.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DALLAS TOWNSHIP, HUNTINGTON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONFLICT OF INTEREST DISCLOSURE

Michael Felts, Township Clerk during 2006, is the spouse of Karrie Fran Felts, Township Trustee. Sharon Biehl, Township Clerk during 2007, is the spouse of John Biehl, Township Trustee. Uniform Conflict of Interest Disclosure Statements do not appear to have been filed.

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6). . . ."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

DALLAS TOWNSHIP, HUNTINGTON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest on remittances due for the quarter ending December 31, 2006, were paid to the Indiana Department of Revenue on April 13, 2007.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DALLAS TOWNSHIP, HUNTINGTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2008, with Karrie Fran Felts, Trustee.